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FM AMEMBASSY BAKU
TO RUEHC/SECSTATE WASHDC PRIORITY 2004
INFO RUCNCIS/CIS COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES PRIORITY
RUEHAK/AMEMBASSY ANKARA PRIORITY 3653
RUEHAH/AMEMBASSY ASHGABAT PRIORITY 0720
RUEHTA/AMEMBASSY ASTANA PRIORITY 0111
RUEHDE/AMCONSUL DUBAI PRIORITY 0084
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY
RHMFISS/CDR USEUCOM VAIHINGEN GE PRIORITY
RUEAIIA/CIA WASHINGTON DC PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY
RUEKDIA/DIA WASHDC PRIORITY

S E C R E T SECTION 01 OF 03 BAKU 000881

SIPDIS

DEPT FOR EB/ESC, EUR/CARC
DEPT FOR S/EEE AMB MORNINGSTAR AND DSTEIN
DEPT FOR EB/ESC DAS DOUG HENGEL
DEPT FOR S/CT FOR GROBERTSON, DKURSCH, CLARKS
DOE FOR LEKIMOFF, MBURPOE, AND DGOTTFRIED

E.O. 12958: DECL: 11/06/2019
TAGS: [ENRG](#) [EPET](#) [ECON](#) [PREL](#) [AJ](#)
SUBJECT: SOCAR: NO AGREEMENT TO ALLOW ALBORZ IN AZERBAIJANI WATERS

REF: A. BAKU 877
[1](#)B. BAKU 866

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Classified By: Acting PolEcon Chief Shannon Ross
for Reasons 1.4 (B,D, E)

[1](#)1. This is an action request for EUR/CARC, pls see para 7.

[1](#)2. (S) SUMMARY: Energy Off and Naval Attache met on 6 November with state energy company SOCAR VP Elshad Nassirov to discuss the recent movements of the Iranian Alborz rig. We informed him that the Azerbaijani Navy had confirmed the rig's movements to waters that we assess are within Azerbaijan's claimed territory. VP Nassirov stated that on behalf of the Azerbaijani government and SOCAR, he was "very upset." He confirmed for us that the only existing legal agreements on Iran's Caspian boundary line were made in 1920 and 1940 between Iran and the then-Soviet Union, agreements which place the Iranian border at the Astara-Hasangulu line. VP Nassirov firmly rejected any possibility of a private agreement between Iran and Azerbaijan that would make the Alborz's current location acceptable. VP Nassirov promised to raise the issue with MFA Deputy Minister Asimov tonight, and strongly requested advice from the USG on how Azerbaijan and SOCAR should proceed. With much of the Azerbaijani MFA leadership traveling internationally, we hope this conversation with SOCAR will jumpstart additional substantive discussions regarding Azerbaijan's view of the location of the Alborz rig. End summary.

Astara-Hasangulu Line Holds

[1](#)2. (S) Nassirov has been traveling internationally, and did not appear aware of recent Azerbaijani press reports regarding the Alborz's recent movements. He was upset to receive the news that Azerbaijan's Navy has confirmed the Alborz's new location. Nassirov confirmed for us that the only existing legal agreements on Iran's Caspian boundary line were made in 1920 and 1940 between Iran and the then-Soviet Union, agreements which place the Iranian border

at the Astara-Hasangulu line. Nassirov stated that Azerbaijan considers the existence of the Iranian military fleet anywhere on the Caspian to be illegitimate, but placement of a rig or vessel north of the Astara-Hasangulu line would be especially so.

Russians Let the Iranian Genie out the Bottle,

13. (C) VP Nassirov excoriated the Russians for having "let the Iranian genie out of the bottle" on the Caspian delimitation issue in the post-Soviet period. He explained that Russia had abandoned earlier Soviet boundaries, and advocated for common development of the Caspian, essentially to forestall Azerbaijan's independent development of its oil fields. In contrast, he noted, Azerbaijan and Kazakhstan quickly endorsed the boundaries set by the earlier agreements. Nassirov indicated that at some point Azerbaijan might be willing to consider adopting the median line proposal, which would give Iran more territory in the Caspian (although not the full 20% it seeks.) He firmly stated that until any such agreement are signed and in force, the boundary with Iran remained the Astara-Hasangulu line. Nassirov further attacked the Iranian claim to 20% of the Caspian, calling this "stupid reasoning." He noted that by the same logic, the USSR and Iran should have divided the Caspian 50/50, an option neither country endorsed.

No Azerbaijan-Iran Agreement on Alborz

14. (S) The group discussed a meeting between FM Mammadyarov and former U.S. Ambassador Derse, which may have given the USG the impression that the GOAJ might have struck a deal

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with Iran, whether formal or informal, to permit the Alborz rig,s movement to its current location. VP Nassirov was adamant that any such interpretation of Azerbaijan's position would have been a mis-translation or other technical error.

Nassirov Notes Military Response Difficult

15. (S) VP Nassirov indicated that there could be some type of bending or flexibility to allow Iranian presence to the Astara-Hasangulu border, but anything over this would require "harsher retaliation." However, he also underscored Azerbaijan's inability to take on Iran militarily, stating that "we are not the U.S., Iran or Russia, sometimes we prefer to close our eyes," because possible courses of action appear difficult or unpalatable.

SOCAR Requests Guidance

16. (S) VP Nassirov asked for the best advice of the USG, U.S. Navy and Coast Guard on how the GOAJ and SOCAR should address this situation. Naval Attache stressed that there were many mechanisms within the maritime field to allow peaceful resolution. We agreed to seek additional guidance for SOCAR and the GOAJ on handling this situation. Naval Attache Verich further laid out some immediate suggestions to minimize the possibility of an incident at sea, while preserving Azerbaijan's territorial claims:

--The Azerbaijan Coast Guard should exercise peaceful presence. Mere presence in the area preserved Azerbaijan's territorial claim.

--The Coast Guard should communicate with any vessels it believed were violating Azerbaijan's sovereignty, and log these communications. Naval Attache explained that there were established methods via international organizations, such as the International Maritime Organization, (IMO), to thereafter raise a complaint.

--To prevent an incident at sea, the Coast Guard ship captain in the vicinity of the Alborz should receive clear and controlled instructions from Azerbaijan's political leadership regarding his mission and permissible courses of action.

Energy Off and Naval Attache also explained that Embassy Baku was seeking to accelerate maritime cooperation with Azerbaijan.

¶7. (C) Following up on SOCAR's request, Embassy Baku requests EUR/CARC solicit guidance from relevant DOS and DOD offices to provide additional options for the GOAJ and SOCAR on how they might handle this sensitive situation.

Comment

¶8. (S) Embassy Baku notes two points with concern: SOCAR did not know about the Alborz's current location, and there appears to be no agreement between Azerbaijan and Iran to allow the Alborz rig to have moved to these waters. If VP Nassirov's information is correct, as we suspect it is, this situation is more serious than we previously assessed. An incident at sea is a possibility even if neither Azerbaijan nor Iran is actively seeking a confrontation.

¶9. (S) The GOAJ appears to have been slow to react to the Alborz's movement into Azerbaijani waters. We attribute this to two factors: Many senior members of the GOAJ are currently out of the country, and there appears to be a tendency here not to want to deliver bad news to senior officials. Therefore, the GOAJ appears still to be digesting the news of the Alborz's likely infringement on its territory, and just beginning to come to consider how it might react to this move

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by its much more powerful neighbor. End comment.
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